



# Congress of the United States

House of Representatives

Washington, DC 20515

October 18, 2007

The Honorable Henry M. Paulson  
Secretary  
Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Paulson:

As Members of Congress with sock mills or sock industry suppliers in our districts, we urge you to enforce the special textile safeguard provisions of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA) on surging Honduran sock imports, which would re-impose pre-CAFTA level tariffs for three years. We applaud the interagency Committee on Implementation of Textile Agreements (CITA) for initiating a formal investigation into imposing this safeguard on August 16, 2007.

Sock mills generate well-paying jobs and considerable federal, state and local tax revenue, utility revenues, consumer purchasing power and other incentives, which drive our local economies. As one of the few remaining competitive sectors of the hard-hit U.S. apparel industry, they deserve the full benefit of our laws against abusive and predatory trade practices.

As you know, the U.S. government committed to initiating a sock safeguard up to the Most-Favored Nation tariff level for up to three years to protect our domestic sock industry. Reliable data shows that imports of socks from Honduras have risen nearly 80% year-to-date, and Honduras is now the world's largest supplier of duty-free socks. Domestic sock production, however, has fallen by 20% in 2006, and 25% in the first half of this year. In addition, job losses in the industry have increased -- more than 5,200 jobs have been lost nationwide since January 2006, representing nearly a fourth of the entire workforce. Sock mills are closing on a monthly basis and our domestic sock production is in jeopardy.

We believe this safeguard action, as explicitly authorized in CAFTA, is necessary in order to help preserve the jobs and overall survival of our hard-pressed domestic sock industry. It is our hope that you and your agency's representative on CITA will give

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careful attention during the CITA deliberations to the plight of our domestic sock industry and the nature of competition coming from Honduras.

We thank you for your prompt attention to this matter.

Sincerely,

gk Butterfield  
Bill Shuster

Robin Hayes

Lynn Allen

for Edward

Paul Smith

Bo Cannon

Melvin L. Watt

Tim Holden

Howard Coble

Baron P. Hill

Tom Allen

Zach Wamp

Vince Goske

Rich Roacher

Jeff Manning

Walter B. Jones

Tom Latham

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Mike McIntyre

Tom Petri

Virginia Fox

Patrick J. McHenry

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David Price

Herb Stal

Bob Inglis

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